

No.N/17/08

**BEFORE THE KARNATAKA ELECTRICITY REGULATORY COMMISSION
BANGALORE**

Dated this 16th April 2009

1. Sri K.P. Pandey	Chairman
2. Sri Vishvanath Hiremath	Member
3. Sri K. Srinivasa Rao	Member

Case No. OP 18/2008

Between

M/s Gem Sugars Limited
'Hoodi Apartments'
No.120, Cunningham Road
BANGALORE – 560 052
(Represented by its Advocate Sri Prabhuling Navadgi)

Petitioner

And

1. The Managing Director
Karnataka Power Transmission Corporation Limited
Kaveri Bhawan, Kempegowda Road
BANGALORE – 560 009

2. The Managing Director
HESCOM, Navanagar
HUBLI
(Represented by its Advocate Sri Sriranga)

Respondents

1. In this petition, the petitioner had sought for the following reliefs :
 - (1) direct the 1st respondent corporation to release a sum of Rs.1,90,06,094/- towards arrears as per the terms of Power Purchase Agreement along with the interest @ 18 % till the date of realization;
 - (2) direct the 2nd respondent company to release sum of Rs.15,68,01,662/- towards arrears as per the terms of Power Purchase Agreement along with the interest @ 18 % till the date of realization;
 - (3) and pass such other order and issued such directions as this Hon'ble Commission deem fit under the facts and circumstances of the case, in the ends of justice.

2. On 2.4.2009 the Counsels appearing for both the parties submitted that they have come to a settlement in the following terms and the petition may be disposed off in these terms :

i) The respondents will abide by the PPA in force and will pay for the electricity supplied at the rate fixed in Clause 5.1 of the PPA which reads as under :

“Monthly Energy Charges: Corporation shall, for the Delivered Energy, pay, for the first 10 years from the date of signing of Agreement, to the Company every month during the period commencing from the Commercial Operation Date on the basis of the base price applicable for the year 1994-95 at the rate of Rs.2.25 (Rupees Two and twenty five paise only) per kilowatt-hour (the tariff) for energy delivered to the Corporation at the Metering Point with an escalation at a rate of 5 % per annum over the tariff applicable for the previous year as per guidelines issued by the Ministry of Non-Conventional Energy Sources of the Grid.”

ii) For the amount not paid on account of non-grant of escalation as provided in Clause 5.1, the respondents will pay an interest of 6.5 % per annum.

3. Recording the above submissions this petition is disposed off.

4. Parties have to bear their costs respectively.

Sd/-
(K.P. PANDEY)
CHAIRMAN

Sd/-
(VISHVANATH HIREMATH)
MEMBER

Sd/-
(K. SRINIVASA RAO)
MEMBER